

**ADDENDUM NO. 3**  
**dated April 14, 2022, to the**  
**IESO MEDIUM-TERM (MT) I RFP**

In accordance with Section 3.3 of the MT I RFP, this Addendum No. 3 contains amendments to the MT I RFP posted on the Website. Capitalized terms used in this document have the meaning given to such terms in the MT I RFP.

1. Section 3.7(c)(i) of the MT I RFP is deleted and replaced with the following:

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i. *Hard Copy Submission Requirements*

1. In addition to the electronically submitted documents identified in Section 3.7(b)(i), a Proponent must provide the following Proposal documents in hard copy submission to the IESO’s address provided in Section 3.7(c)(ii) prior to 5:00 P.M. (EPT) on the Proposal Submission Deadline

<b>HARD COPY SUBMISSION REQUIREMENTS</b>	
<b>Proposal Document</b>	<b>Delivery and Format</b>
Proposal Security	One original hard copy of the Qualified Applicant’s Letter of Credit in the amount of ten thousand Dollars (\$10,000) per MW of the Qualified Capacity for the Summer months, subject to a maximum of two million Dollars (\$2,000,000), which should be contained in a separate, opaque and sealed envelope marked “ <b>Proposal Security</b> ” and with the Qualified Facility name.

2. Appendix A of the MT I RFP (Glossary of Terms) is amended by adding the following defined term in alphabetical order:

Letter of Credit	means one or more irrevocable and unconditional standby letters of credit issued by a financial institution listed in either Schedule I or II of the Bank Act (Canada) or such other financial institution having a minimum Credit Rating of (i) A- with S&P, (ii) A3 with Moody’s, (iii) A (low) with DBRS Morningstar, or (iv) A- with Fitch IBCA, in substantially the form attached as Appendix D or in a form acceptable to the IESO, acting reasonably.
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3. Appendix A of the MT I RFP (Glossary of Terms) is amended by adding the following defined term in alphabetical order:

Rated Criteria	means the criteria described in Sections 4.3(a)(i)-(iv), each applied to a Qualified Facility as of the Proposal Submission Deadline.
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4. The following is added as Appendix D of the MT I RFP:

**APPENDIX D - FORM OF IRREVOCABLE AND UNCONDITIONAL STANDBY LETTER OF CREDIT**

DATE OF ISSUE: [●]  
APPLICANT: [●]  
BENEFICIARY: Independent Electricity System Operator and its permitted assigns (the “**Beneficiary**”)  
120 Adelaide Street West, Suite 1600  
Toronto, ON M5H 1T1  
AMOUNT: [●]  
EXPIRY DATE: [●]  
EXPIRY PLACE: Counters of the issuing financial institution in Toronto, Ontario  
CREDIT RATING: **[Insert credit rating only if the issuer is not a financial institution listed in either Schedule I or II of the *Bank Act*]**  
TYPE: Irrevocable and Unconditional Standby Letter of Credit Number: [●] (the “**Credit**”)

*(Note: Replace all bold terms and [●] symbols as appropriate.)*

The Credit is issued in connection with the Beneficiary’s Request for Proposals dated January 31, 2022, as amended, to solicit capacity services from existing facilities in Ontario (the “**MT I RFP**”) and the Proposal dated [●] submitted by the Applicant in response thereto (the “**Proposal**”). Additionally, if the Proposal is selected under the MT I RFP, the Credit may serve as the “Completion and Performance Security” (as such term is defined in the MT I RFP) in respect of the “MTC I Contract” (as such term is defined in the MT I RFP) as amended from time to time, between the Beneficiary and the “Supplier”, as such term is defined under the MTC I Contract.

We hereby authorize the Beneficiary to draw on **[Issuing Bank Name/Address]**, in respect of the Credit, for the account of the Applicant, up to an aggregate amount of \$● (● Canadian Dollars) available by the Beneficiary’s draft at sight accompanied by the Beneficiary’s signed certificate contained either of the following statements:

- (i) “The Proponent, whose Proposal has been selected and accepted by the Beneficiary, **[has made a material misrepresentation in the Proposal]** or **[has failed, within (20)**

**Business Days of the date on which the Proponent was given the MTC I Contract to sign, to execute and deliver the MTC I Contract or to deliver a new Completion and Performance Security to the Beneficiary or otherwise confirm that the Proposal Security be converted into and held by the Beneficiary as the Completion and Performance Security]** and therefore the Beneficiary is entitled to draw upon the Credit in the amount of the draft attached hereto.” ;

or

- (ii) “The Supplier is in breach of, or default under, the MTC I Contract, and therefore the Beneficiary is entitled to draw upon the Credit in the amount of the draft attached hereto.”

Drafts drawn hereunder must bear the clause “Drawn under irrevocable and unconditional Standby Letter of Credit No. [●] issued by [Issuing Bank Name] dated [Issue Date].”

Partial drawings are permitted.

This Letter of Credit will automatically extend for additional, successive terms of one year each (each an “**Additional Term**”), unless the undersigned provides the Beneficiary with written notice, at least 60 days prior to the expiration date of the then current term, that it does not wish to extend this Letter of Credit for an Additional Term.

We engage with you that all drafts drawn under and in compliance with the terms of the Credit will be duly honoured, if presented at the counters of [Issuing Bank Name/Address] at or before [Expiry Time] (EST) on or before [Expiry Date], as extended.

The Credit is subject to the International Standby Practices ISP 98, International Chamber of Commerce Publication No. 590, and as to matters not addressed by ISP 98, shall be governed by the laws of the Province of Ontario and applicable Canadian federal law, and the parties hereby irrevocably agree to attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.

This Credit is transferable at the written request of the Beneficiary, without the consent of the Applicant, but subject to consent of the issuing financial institution, acting reasonably. All fees incurred by the issuing financial institution in relation to such transfer shall be at the Applicant's expense, but failure of the Applicant to pay such fees shall not restrict the ability of the Beneficiary to transfer the Credit.

In the event of a transfer of this Credit as provided for above, the above name of the Beneficiary will be amended to another entity by way of an amendment hereto, without the consent of the Applicant, and upon receipt by [Issuing Bank Name] of the Beneficiary's dated and signed letter addressed to [Issuing Bank Name] and completed as follows:

“We, the undersigned Beneficiary to [Issuing Bank Name] Letter of Credit No. [●], hereby waive all our rights under the Letter of Credit and request that the current name and address of the Beneficiary thereunder be amended to read [insert name and address of new Beneficiary]. We have enclosed the original Letter of Credit and all amendments

(if any) thereto. Please forward the original Letter of Credit and all amendments (if any), including the current amendment to the [new **Beneficiary**], care of the Applicant.”

[Issuing Bank Name]

By: \_\_\_\_\_

By: \_\_\_\_\_